## REMARKS

## 35 USC 102/103

Applicant respectfully traverses the Examiner's rejections, and expressly incorporates herein all of Applicant's REMARKS filed on/about February 20, 2007.

Further, in the instant Office Action, the Examiner states "Regarding claim 1, applicant argues on page 4 the arguments that Lin nor Ito teaches the PMOS or NMOS devices having a compressive layer that induces compressive or tensile stress in the active region "in a direction longitudinal to a current direction"."

Respectfully, Applicant believes the Examiner's statement is not correct. On page 4 of the REMARKS (February 20, 2002), Applicant argued, "Applicant believes neither Lin nor Ito, whether or not applied, either singly or in combination, teaches, discloses or suggests "the PMOS device including a compressive layer inducing a compressive stress in an active region of the PMOS device in a direction longitudinal to a current direction" AND (emphasis added) "the NMOS device including a tensile layer inducing a tensile stress in an active region of the NMOS device in a direction longitudinal to the current direction", let alone in combination with the remaining elements of claim 1 (as amended)."

Finally, Applicant believes any attempt by the Examiner to anticipate or render obvious Applicant's claim 1 in view of Lin and/or Ito is, and would be based on, hindsight, and thus is not in accordance with 35 USC 102 and/or 103.

Reconsideration and allowance are solicited.

Respectfully Submitted. Bruce B. Doris et al.

> Attorney for Applicant Registration No. 30,238

Telephone No. 845-894-4633

Fax No. 845-892-6363